Summary of Comments Made at a Press Conference
by Shosuke Mori, FEPC Chairman, on September 19, 2008

First of all, I would like to express my deep regret, as President of Kansai Electric Power, over the accident in which a transmission tower collapsed on September 15 in Fukui Prefecture.

This accident killed or injured four workers who were working on the tower itself. I pray for the souls of the workers who died and express my sympathy to their families, and also strongly wish for the early recovery of the workers who are now receiving medical care.

We are doing our best to identify the cause of the accident, and will report on the results as soon as possible.

Now, as FEPC chairman, I have two topics today. The first is about our plans for the deployment of mega solar power generation and electric vehicles. The second is about the electricity supply and demand this summer.

1. Our Plans for the Deployment of Mega Solar Power Generation and Electric Vehicles

Let me first talk about the deployment of mega solar power generation.

The electric power companies of Japan are all moving toward the construction of mega solar power generation plants to expand solar power in the future.

A few of us, like Kansai Electric Power and Kyushu Electric Power, have already announced plans to build solar power plants, including specific details such as the planning of joint ventures with municipalities and corporations and plans for reusing sites where power plants once stood. As I promised during the press conference in July, I would like to present today our industry's general plan for the construction of mega solar power generation plants, which was agreed by our General Policy Meeting today.

By 2020, the 10 regional electric power companies of Japan will have built

mega solar power plants with a total capacity of about 140,000 kW in about 30 sites throughout the country.

Even though all of us have already deployed solar power on a limited scale such as on the roofs of corporate facilities, the total solar power capacity at the end of FY2007 was only 4,250 kW due mostly to space restrictions.

The mega solar plan that we have just drawn up will expand the scale of our solar power system by about 30 times. The total capacity of the new plants amounts to nearly 10% of the existing capacity of solar power facilities in Japan, which is approximately 1.7 million kW.

Constructing 140,000 kW of mega solar power plants will enable the generation of about 150 million kWh of electricity per year, which is roughly equal to the annual demand from 40,000 households, reducing the annual CO_2 emission by about 70,000 tons.

Today I will not go into the details of our plan with a breakdown by company because such announcements at this moment could disturb our projects, in cases where negotiations with partners such as local municipalities are still under way or some construction sites have not yet been decided. I would appreciate your understanding.

Each electric company will announce their own plan when ready. However, I should mention now that the total scale of various projects to be started by the end of FY2009 will be about 40,000 kW, including the projects of Kansai Electric Power and Kyushu Electric Power which have already been announced.

As you can see, building such a “mega”-scale capacity that exceeds 1,000 kW requires a vast area.

Building 140,000 kW of solar power plants according to our plan will require an area of about 4 million m^2, which is approximately 270 times the size of playfield of the Koshien Stadium.

Therefore, building these solar power plants in the future, we will mainly utilize

free space at existing power plants and substations, and idle land to minimize the cost and labor for site acquisition.

In what is now called the Fukuda Vision, ex-Prime Minister Fukuda presented a very ambitious goal of expanding the solar power capacity 10-fold by 2020 and 40-fold by 2030 from the present level.

By building and operating mega solar power generation plants according to this plan, we will study how variations in weather and solar radiation may impact the stability of power system networks as a whole. We also intend to boost the use of solar power after seeing how municipalities and corporations respond.

Next, I would like to present our electric vehicle deployment plan.

Since electric vehicles cut CO_2 emissions to a quarter as they replace gasoline-powered vehicles, the Action Plan for Achieving a Low-Carbon Society, endorsed by the Cabinet in July, calls for efforts to expand the use of electric vehicles so that one half of all new cars sold by 2020 are next-generation vehicles.

The electric power companies of Japan have been working hard to achieve full-scale commercialization of environmentally-efficient electric vehicles, such as conducting driving tests and developing new rapid battery chargers jointly with automobile manufacturers. To expand the use of electric vehicles, the electric power companies jointly decided to introduce about 10,000 electric vehicles in total for commercial use by FY2020.

Since the number of commercial vehicles now being used by the electric power companies is about 20,000, we are going to replace about half of them by electric vehicles.

Since production models of electric vehicles have not yet been released, we have not fixed the target number of electric vehicles for each electric power company. After seeing the price trend of electric vehicles and how car manufacturers develop and prepare for mass production, we may decide to introduce more electric vehicles.

2. Electricity Supply and Demand this Summer

Finally, I would like to report on the electricity supply and demand this summer.

The peak demand for the 10 electric power companies in total this summer was 179 million kW on August 4, the fourth largest amount in the history.

As for the peak demand experienced by individual electric power companies, four companies (Chubu, Hokuriku, Shikoku and Kyushu) experienced a record-breaking peak demand.

For the 10 electric companies as a whole, we maintained supply capacity of 195.46 million kW against the peak demand, giving us a supply margin of 9.2%.

Again for the 10 companies, the maximum daily demand was 3,421.09 million kWh on July 25, a high figure like last summer when it was very hot throughout Japan.

As for the maximum daily demand experienced by individual electric power companies, the four companies (Chubu, Chugoku, Shikoku and Kyushu) experienced a record-breaking daily demand.

The main cause of the high demand was that the rainy season ended earlier than on average in western Japan, and there were many hot sunny days in July and in the first half of August. As for the total electricity generated and purchased each month, the electricity generated and purchased in July was up 9.5% over last year, but in August was 5.5% lower than last year because the second half of August was significantly cooler than in average years in many regions.

The total electricity generated and purchased by the 10 electric power companies for the two months of July and August was 185.059 billion kWh, a record-high for the third consecutive year.

This is all for today. Thank you for your attention.